GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3592
ANSWERED ON:25.08.2006
TRANSFER OF BANKING OPERATIONS
Nahata Smt. P. Jaya Prada

Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has given approval to Cicil Aviation Ministry to transfer all its banking operations from State Bank of India and Reserve Bank of India to ICICI Bank;

(b) if so, the reasons therefor;

(c) whether there has been resistance from certain quarters; and

(d) if so, the remedial measures proposed to be taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL);

(a) and (b) Yes, Sir. On the request of the Ministry of Civil Aviation, Reserve Bank of India (RBI) had granted approval for the change of its accredited bank from RBI and State Bank of India (SBI) to ICICI Bank Ltd. in August 2004.

(c) RBI has received representations from All India Reserve Bank Employees Association and National Confederation of Bank Employees respectively against the shifting of government business of Ministry of Civil Aviation and Tourism from Reserve Bank of India and State Bank of India to the ICICI Bank Ltd.

(d) The government departments are at liberty to choose their accredited bank depending on their specific banking needs.